

EXHIBIT 10

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re:	§ Chapter 11 Case Nos.
	§ 01-14283 (BRL)
RHYTHMS NETCONNECTIONS INC., et al.,	§ through
	§ 01-14287 (BRL)
Debtors.	§
-----X	

**STIPULATION AND ORDER APPROVING TERMS OF ASSUMPTION AND
REJECTION OF AGREEMENTS WITH CERTAIN INCUMBENT LOCAL
EXCHANGE CARRIERS**

RECITALS

A. On August 1, 2001 (the "Petition Date"), Rhythms NetConnections Inc. and certain of its direct subsidiaries ("Rhythms" or the "Debtors") commenced cases under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors continue to operate their business and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Official Committee of Unsecured Creditors (the "Committee") was appointed on August 6, 2001.

B. On August 2, 2001, the Debtors filed the Motion of Debtors for (I) Authority to Sell All or Substantially All of Their Assets, (II) Authority to Send a Notice of Termination of

Service, (III) Authority to Assume and Assign Executory Contracts and Unexpired Leases, and (IV) Approval of the Auction Procedures Related Thereto (the "Sale Motion"), seeking to establish, *inter alia*, a process for either investment into or a sale of the Debtors and/or their individual assets.

C. On August 10, 2001, the Debtors filed a Motion to Reject Network Executory Contracts (the "Rejection Motion"). The Motion provided for, *inter alia*, the rejection of various contracts and leases (the "Network Contracts"), with certain incumbent local exchange carriers ("ILECs"), unless the Debtors elected to assume and assign the Network Contracts, subject to the Court's approval, after the auction (the "Auction") of all or substantially all of the assets of the Debtors in accordance with the Sale Motion.

D. On August 17, 2001, the Debtors filed their Notice of Proposed Cure Amounts (the "Cure Notice") in conjunction with the Sale and Rejection Motions, putting forth the Debtors' calculation of cure amounts in the event of assumption of any of the Network Contracts.

E. On August 20, 2001, Qwest Corporation (and collectively with Qwest Communications Corporation, "Qwest") and the operating subsidiaries of Verizon Communications, Inc. (collectively, "Verizon") each filed a limited objection to the Rejection Motion. Southwestern Bell Telephone Company, Pacific Bell Telephone Company, The Southern New England Telephone Company and Ameritech (composed of Illinois Bell Telephone Company d/b/a Ameritech Illinois, Indiana Bell Telephone Company d/b/a Ameritech Indiana, Michigan Bell Telephone Company d/b/a Ameritech Michigan, The Ohio Bell Telephone Company d/b/a Ameritech Ohio and Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin)

(collectively, the "SBC Affiliates") and BellSouth Telecommunications, Inc. ("BellSouth") raised issues similar to those raised by Qwest and Verizon.

F. On August 28, 2001, the Debtors filed their Motion to Approve Rejection of Additional Unexpired Leases of Nonresidential Real Property and Executory Contracts.

G. On August 28, 2001, the Debtors filed their Motion to Approve Abandonment of Estate Property (the "Abandonment Motion"), providing for the abandonment of property or premises subject to executory contracts or unexpired leases that were rejected by the Debtors.

H. On September 13, 2001, Verizon filed its Preliminary Objection and Reservation of Rights with Respect to the Cure Notice.

I. On September 17, 2001, the SBC Affiliates filed their Objection to the Cure Notice.

J. On September 19, 2001, the Debtors filed their Supplemental Motion to Sell Free and Clear of Liens All or Substantially All of Their Assets and Motion to Assume and Assign Designated Executory Contracts and Motion for Interim Approval of Limited Recourse Postpetition Financing Agreement and for Scheduling a Final Hearing Thereon (the "Supplement"), which *inter alia*, (i) notified parties of the high bidder of the Auction for certain of the Debtors' assets, WorldCom, Inc. ("WorldCom"), (ii) provided a copy of the proposed Asset Purchase and Credit and Security Agreements between the Debtors and WorldCom (the "Asset Purchase Agreement"), and (iii) contained a list of those executory contracts or unexpired leases proposed to be assumed and rejected in conjunction with the Asset Purchase Agreement.

K. Thereafter, interested parties filed pleadings relating to the Debtors' motions and notices.

L. A hearing on the issues raised by the motions and notices was held on September 25, 2001 (the "Hearing").

M. At the Hearing, the undersigned announced the material terms of a stipulation (the "Stipulation") resolving the issues relating to the motions and notices. The final terms of the Stipulation are set forth below.

NOW, THEREFORE, IT IS HEREBY STIPULATED, AGREED AND ORDERED as follows:

1. Parties/Sharing. Qwest, Verizon, the SBC Affiliates and BellSouth and their respective affiliates (collectively referred to hereinafter as the "ILECs") are the only parties to share in the Pre-Petition Cure Amount (as hereinafter defined). The sharing shall be as follows: Qwest 1.24%; Verizon 68.51%; the SBC Affiliates 9.46%; BellSouth 20.79%.

2. Pre-Petition Cure Amount. In connection with the closing under the Asset Purchase Agreement (the "Closing"), and as a condition thereof, the Debtors shall pay to the ILECs the sum of \$7,000,000 (the "Pre-Petition Cure Amount") from the Purchase Price under the Asset Purchase Agreement or direct WorldCom to remit the Pre-Petition Cure Amount to the ILECs from the Purchase Price in payment and satisfaction of the Pre-Petition Cure Amount.

3. Administrative Claims/Rejection Date/Assumption Date. Subject to the provisions of paragraph 12, all claims for services provided through September 24, 2001 at 11:59 p.m. shall be accorded undisputed administrative priority. To the extent that any ILEC's interconnection agreement ("ICA") is being rejected and terminated, such rejection and termination will be effective on September 24, 2001 at 11:59 p.m. Administrative claims for facilities to be terminated by Rhythms (under either an assumed or rejected ICA) shall be cutoff as of September 24, 2001 at 11:59 p.m. To the extent that any specified services under an

assumed ICA are being terminated, such termination shall be effective as of September 24, 2001 at 11:59 p.m., shall be submitted in accordance with industry standard orders as described in paragraph 4 below and any administrative claims with respect thereto shall be cut off as of September 24, 2001 at 11:59 p.m. All ICAs being assumed and assigned shall be assumed and assigned effective as of the Closing. If there is no Closing, all of Rhythms' ICAs not previously rejected shall be deemed rejected as of the date that the DIP Facility is terminated; provided, however, that (i) Rhythms shall give the ILECs notice of the rejection contemporaneously with Rhythms' receipt of notice from WorldCom of the termination of the DIP Facility, and (ii) WorldCom shall use its best efforts as a courtesy to provide the ILECs notice of its intent to terminate the DIP Facility as soon as practicable and in any event when such notice is provided to Rhythms and the Committee.

4. Documentation. Rhythms will prepare and complete the documentation required by industry standards (including ASRs and LSRs with an effective bill date of September 25, 2001) to disconnect or terminate any services assumed and assigned by Rhythms that WorldCom elects not to operate post-Closing (the "Terminations"). Rhythms will submit such disconnect/termination requests in accordance with the procedures set forth in the applicable ICA or tariff. Rhythms will use its best efforts to complete such requests within 45 days of September 26, 2001, and will complete same no later than 75 days after September 26, 2001.

5. Performance Measures. The Debtors and the Committee agree to waive any performance standards, performance measures, metrics or any other performance based requirements relating to the Terminations for the period from the Petition Date forward (collectively the "Performance Claims"). In addition, the Debtors and the Committee agree that the times to compute and pay any performance based payment, not relating to the Terminations,

shall be extended for 90 days from the dates the same are normally calculated and paid. WorldCom shall have no right at any time to assert any performance standards, performance measures, metrics or any other performance based requirements for the period prior to Closing, except to the extent that WorldCom is acting post-Closing as the successor-in-interest to Rhythms under the Asset Purchase Agreement.

6. Abandonment/Removal. Rhythms has abandoned as of September 24, 2001 at 11:59 p.m. the equipment located in the collocation sites terminated under assumed or rejected ICAs (the "Equipment"). Any party with an interest in the Equipment, including, without limitation, WorldCom, Cisco Systems Capital Corporation ("Cisco") and GATX Capital Corporation ("GATX"), or their agents, (collectively, the "Removal Parties"), shall remove the Equipment in which it has an interest pursuant to the following procedure. Within 15 days of the date of entry of this Order, each of the Removal Parties shall submit to the appropriate ILEC a request for access to each collocation space on an individual basis for removal of its Equipment (which will be identified on a schedule to the document requesting access) in accordance with the applicable ICA or tariff. In submitting their requests for access, each of the Removal Parties may coordinate scheduling for the removal of its Equipment within a metropolitan exchange, MSA, LATA or state by identifying in its request for access a date and time for removal of Equipment from each collocation space, provided that such Removal Parties identify dates and times that are within authorized access hours for the collocation space for which access is requested, and further provided that if the ILEC is unable to grant access at the date and time requested, the ILEC will work with the Removal Party in good faith to reach a mutually agreed date and time for the removal. In no event will the ILEC be responsible for determining whether the Removal Party is in fact the owner of the Equipment that it seeks to and does remove. In no

event will the ILEC be responsible for providing the Removal Parties a key to any collocation space within a building, and the Removal Parties shall return to the appropriate ILEC upon completion of their removal process any keys used by them. For each collocation space located within a state in which Rhythms has terminated all of its collocation spaces or in which an ICA is being rejected, each of the Removal Parties shall remove its Equipment within 30 days of the date the ILEC provides written, electronic or other reasonable notice to the Removal Party that it is granting access to such space(s). For each collocation space located within a state in which Rhythms has terminated some but not all of its collocation spaces, each of the Removal Parties shall remove its Equipment within 60 days of the date the ILEC provides written, electronic or other reasonable notice to the Removal Party that it is granting access to such space(s). The removal of Equipment shall be performed in accordance with the respective ICAs or tariffs governing such access requests. The ILECs agree to process access requests on a commercially reasonable basis, within the timeframes established herein. If any of the above deadlines are not timely satisfied, the Equipment shall be deemed immediately abandoned to the respective ILEC, and any party having an interest in the Equipment shall be deemed to have abandoned any such interests, and the respective ILEC shall own the Equipment free and clear of all liens, claims, encumbrances and ownership interests. Nothing contained in this paragraph shall prohibit an ILEC from removing any of the Equipment at any time, according to the applicable ICAs and/or tariffs. The Debtors have no liability with respect to or responsibility for any issue with respect to the Equipment or its removal arising between an ILEC and any third party.

7. Pre-Petition Date Release. The ILECs, on the one hand, and the Debtors, the Committee and WorldCom, on the other, shall be deemed to have released, acquitted, and forever discharged each other and their respective former, current, and future affiliated entities,

shareholders, officers, directors, partners, agents, servants, employees, representatives, consultants, attorneys and other professionals, executors, heirs, administrators, trustees, successors, and assigns, effective as of the Closing, from any and all pre-Petition Date claims, offsets, causes of action, suits, debts, liens, obligations, liabilities, demands, losses, and costs (including attorneys' fees and expenses) of any kind, character or nature whatsoever, including any credits, amounts due, refunds, retroactive adjustments or refunds, termination fees, claims under the filed rate doctrine, claims for rejection or abandonment damages, including removal of abandoned Equipment, and claims for backbilling, whether known or unknown, fixed or contingent (collectively, the "Pre-Petition Released Claims"), that such parties may have or claim to have now or in the future against each other for or by reason of or arising out of any agreement or transaction, including the respective ICAs and any tariffs, between the respective ILEC and the Debtors. With respect to Qwest, the release shall also cover the ISP Provisioning Agreement dated April 6, 1999.

8. Post-Petition Date Release. The ILECs, on the one hand, and the Debtors, the Committee and WorldCom, on the other, shall be deemed to have released, acquitted, and forever discharged each other and their respective former, current, and future affiliated entities, shareholders, officers, directors, partners, agents, servants, employees, representatives, consultants, attorneys and other professionals, executors, heirs, administrators, trustees, successors, and assigns, effective as of the Closing, from any and all claims, offsets, causes of action, suits, debts, liens, obligations, liabilities, demands, losses, and costs (including attorneys' fees and expenses) of any kind, character or nature whatsoever, including any credits, amounts due, refunds, retroactive adjustments or refunds, termination fees, claims under the filed rate doctrine, claims for rejection or abandonment charges, including the cost of removal of

abandoned Equipment, and claims for backbilling, whether known or unknown, fixed or contingent, arising during the period from the Petition Date until the date of the Closing (collectively, the "Post-Petition Released Claims"), that such parties may have or claim to have now or in the future against each other for or by reason of or arising out of any agreement or transaction, including the respective ICA(s) and any tariffs, between the respective ILEC and the Debtors. Nothing contained herein shall be deemed a release of the parties' obligations hereunder or each party's obligations to act in accordance with applicable law in their performance of those obligations. Subject to and in accordance with paragraph 12 herein, the ILECs expressly reserve their rights to assert against the Debtors administrative claims from the Petition Date through September 24, 2001, at 11:59 p.m., and the Debtors expressly reserve their true-up rights to reconcile such administrative claims. The ILECs expressly reserve their rights to assert against the Debtors claims (which the ILECs contend should be administrative expense claims) arising from September 24, 2001, at 11:59 p.m. through the Closing, and the Debtors expressly reserve their true-up rights to reconcile such claims. In addition to rights reserved under paragraph 12, in the event the WorldCom transaction does not Close, the Debtors and the Committee further reserve all of their rights with regard to the amount and priority of any ILEC's claim arising after September 24, 2001 at 11:59 p.m. With respect to Qwest, the release shall also cover the ISP Provisioning Agreement dated April 6, 1999.

9. ACNAs. In connection with the assumption of the Rhythms ICAs, Rhythms shall assign and transfer its ACNAs to WorldCom in accordance with all applicable industry standards, and WorldCom shall operate the assets it acquires from Rhythms under the Rhythms ACNAs. If WorldCom decides to change such ACNAs post-Closing, or operate any such acquired assets under any different ACNA, WorldCom shall do so in accordance with the terms

of the applicable ICAs or tariffs, including any terms therein requiring the payment of charges for making such changes. In the event WorldCom decides to change such ACNAs and the applicable ICA or tariff does not accord such a right, WorldCom shall request such change and pay any charges associated with accomplishing such change, if granted.

10. Acquiring Entity. The assignee of the respective ICAs and related executory agreements, if any, identified on Exhibit "A" shall be MCI WorldCom Network Services, Inc.; provided, however, that within 30 days of the date of entry of this Order, WorldCom will identify to the respective ILEC the exact name for a different affiliated assignee for any ICA, which assignee must be certificated in the applicable state and must operate post-Closing under no more than one ICA per state per ILEC.

11. ICAs. The ICAs are being assumed in full for any ICA that covers any services not being terminated. The ICAs are being rejected in their entirety only in those states in which an ILEC has a stand alone ICA for that specific state and if the Debtors are terminating all services under the ICA in that particular state. Attached hereto as Exhibit "A" is a chart showing each individual ILEC's ICAs and related executory agreements, if any, that are being assumed or rejected. It is agreed between and among the Debtors, the ILECs and WorldCom that no ICA is being assumed or rejected in part. Pursuant to paragraphs 3 and 4 herein, to the extent that the Debtors no longer desire certain sites or services under an assumed ICA, the Debtors shall be deemed to have terminated such sites or services as of September 24, 2001 at 11:59 p.m. Neither the Debtors nor WorldCom shall incur after September 24, 2001 at 11:59 p.m. any further operating expenses, termination or other charges for such discontinued or terminated sites or services.

12. Post-Petition Administrative Claims. Rhythms shall pay all due and owing post-Petition Date administrative claims arising after August 1, 2001 ("Post-Claims"), according to normal invoice terms within 30 days after the 10-day period under the Asset Purchase Agreement pursuant to which WorldCom may unilaterally terminate such Agreement (the "Ten Day Period") has expired without WorldCom terminating such Agreement, and shall pay all future Post-Claims in accordance with normal invoice terms. The ILECs reserve their respective rights to assert Post-Claims and Rhythms reserves its rights to reconcile the Post-Claims. No Pre-Petition Released Claims shall affect the amount of the Post-Claims, including, without limitation, by way of offset, credit, deduction or otherwise. Rhythms' undisputed obligations to each of the ILECs (whether determined by agreement or by court order) from the Petition Date through September 24, 2001 shall constitute administrative expenses of Rhythms' estates in accordance with Section 503(b) and 507(a)(1) of the Bankruptcy Code. The Debtors and the Committee further reserve all of their rights with regard to the amount and priority of any ILEC's claims arising after September 24, 2001 at 11:59 p.m. in the event the WorldCom transaction does not Close. If the WorldCom agreement is terminated within the Ten Day Period, this paragraph shall be void and all parties shall reserve all rights relating to the Post-Claims.

13. No Admissions. Nothing contained herein shall constitute an acknowledgement or admission by the Debtors, a finding by the Court, or a waiver or forfeiture by Verizon, Qwest, the SBC Affiliates, BellSouth, WorldCom or the Committee unless otherwise addressed herein.

14. Court Approval. This Order is subject to the approval of the Court and shall be of no force and effect unless and until such approval. If this Order is not approved by the Court, it shall be null and void and shall not be referred to or used for any purpose by any of the parties hereto or any of the other parties in the Debtors' Chapter 11 cases.

15. Reservation of Rights. Except as expressly provided for herein, the parties reserve all of their respective rights, claims and defenses.

16. Binding on Successors/Assigns. Upon approval of the Court, this Order shall be binding on the Debtors, Verizon, Qwest, the SBC Affiliates, BellSouth, WorldCom, GATX, Cisco, the Committee and any other party affected hereby, and their respective successors and assigns.

17. Amendment. This Order supersedes any prior Order involving the subject matter hereof and may only be amended by the written consent of the undersigned parties and only with Court approval.

18. Survival. The provisions of this Order and any actions taken pursuant hereto shall survive entry of any order that may be entered (a) converting any of the Debtors' Chapter 11 cases to a Chapter 7 case, (b) appointing a Chapter 11 trustee, or (c) dismissing any of the Chapter 11 cases, and the terms and provisions of this Order shall continue in full force and effect notwithstanding the entry of such order.

19. Retention of Jurisdiction. This Court retains jurisdiction (i) to enforce and implement the terms and provisions of this Order, (ii) to resolve any disputes, controversies or claims arising out of or relating to this Order, and (iii) to interpret, implement and enforce the provisions of this Order.

20. No Stay. Upon approval and entry of this Order, this Order shall be effective and be fully enforceable, and no stay is applicable to this Order pursuant to Rules 6004(g) and 6006(d) of the Federal Rules of Bankruptcy Procedure.

21. Signatures. This Order may be executed in counterparts by any of the signatories hereto, including by facsimile or electronic means.

Dated: Dallas, Texas
October 11, 2001

Respectfully submitted,

RHYTHMS NETCONNECTIONS INC.

By: /s/ J.W. Braukman, III
Name: J.W. Braukman, III
Its: Executive Vice President
and CFO

RHYTHMS LINKS, INC.

By: /s/ J.W. Braukman, III
Name: J.W. Braukman, III
Its: CFO

By: /s/ Michelle V. Larson
Deborah L. Schrier-Rape
Michelle V. Larson
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**SPECIAL COUNSEL TO DEBTORS &
DEBTORS-IN-POSSESSION**

QWEST CORPORATION

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Name: Augustine M. Cruciotti
Its: Executive Vice-President, Local
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By: /s/ Evan D. Smiley
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**COUNSEL FOR QWEST CORPORATION
AND QWEST COMMUNICATIONS
CORPORATION**

**QWEST COMMUNICATIONS
CORPORATION**

By: /s/ Augustine M. Cruciotti
Name: Augustine M. Cruciotti
Its: Executive Vice-President, Local
Networks

**OPERATING SUBSIDIARIES OF
VERIZON**

By: /s/ Jeannine T. Kirkman
Name: Jeannine T. Kirkman
Its: Vice President – Wholesale Billing &
Collections

By: /s/ Darryl S. Laddin
Darryl S. Laddin (DL-5130)
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SUBSIDIARIES OF VERIZON
COMMUNICATIONS INC.**

**STIPULATION AND ORDER APPROVING TERMS OF ASSUMPTION AND REJECTION OF
AGREEMENTS WITH CERTAIN INCUMBENT LOCAL EXCHANGE CARRIERS – Page 14**

**SOUTHWESTERN BELL TELEPHONE
COMPANY, PACIFIC BELL
TELEPHONE COMPANY, THE
SOUTHERN NEW ENGLAND
TELEPHONE COMPANY AND
AMERITECH (COMPOSED OF
ILLINOIS BELL TELEPHONE
COMPANY D/B/A AMERITECH
ILLINOIS, INDIANA BELL TELEPHONE
COMPANY D/B/A AMERITECH
INDIANA, MICHIGAN BELL
TELEPHONE COMPANY D/B/A
AMERITECH MICHIGAN, THE OHIO
BELL TELEPHONE COMPANY D/B/A
AMERITECH OHIO AND WISCONSIN
BELL, INC. D/B/A AMERITECH
WISCONSIN) (the "SBC Affiliates")**

By: /s/ Lisa M. Golden
Lisa M. Golden
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(516) 746-8000

COUNSEL FOR THE SBC AFFILIATES

By: SBC TELECOMMUNICATIONS, INC.,
their authorized agent

By: /s/ John Stankey
Name: John Stankey
Its: President, Industry Markets

**BELLSOUTH
TELECOMMUNICATIONS, INC.**

By: /s/ Paul M. Rosenblatt
Paul M. Rosenblatt (PR-6300)
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By: /s/ Sandra C. Cetti
Name: Sandra C. Cetti
Its: Senior Credit Manager

**COUNSEL FOR BELLSOUTH
TELECOMMUNICATIONS, INC.**

**STIPULATION AND ORDER APPROVING TERMS OF ASSUMPTION AND REJECTION OF
AGREEMENTS WITH CERTAIN INCUMBENT LOCAL EXCHANGE CARRIERS - Page 15**

**THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS**

By: /s/ Luc Despins
Name: Luc Despins
Its: Counsel

By: /s/ Luc Despins
Luc Despins, Esq.
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MCCLOY LLP
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(212) 530-5660

**COUNSEL FOR THE OFFICIAL
COMMITTEE OF UNSECURED
CREDITORS**

WORLDCOM, INC.

By: /s/ Scott D. Sullivan
Name: Scott D. Sullivan
Its: Chief Financial Officer

By: /s/ Eric B. Miller
Eric B. Miller
Piper Marbury Rudnick & Wolfe, LLP
6225 Smith Avenue
Baltimore, MD 21209-3600
(410) 580-3000

COUNSEL FOR WORLDCOM, INC.

SO ORDERED:

HONORABLE BURTON R. LIFLAND
UNITED STATES BANKRUPTCY JUDGE

Dated: _____, 2001

**STIPULATION AND ORDER APPROVING TERMS OF ASSUMPTION AND REJECTION OF
AGREEMENTS WITH CERTAIN INCUMBENT LOCAL EXCHANGE CARRIERS - Page 16**

Exhibit A

ILEC	Agreements ASSUMED	Agreements REJECTED
Verizon	<p>Interconnection Agreements for the states of: CA, CT, D.C., MA, MD, NJ, NY, OR, PA, TX, VA (formerly Bell Atlantic), WA.</p> <p>Each Interconnection Agreement shall be the successor agreement awaiting execution as the replacement for the expired agreements, which includes applicable line sharing provisions.</p>	<p>All other agreements between Rhythms and Verizon, including, without limitation, Interconnection or other agreements to the extent they exist for the states of: DE, FL, NH, NC, OH, RI, MI, MO, VA (GTE), OK.</p>
BellSouth	<p>Interconnection Agreement dated 6/12/01, as the same may have been amended from time to time.</p>	<p>None.</p>
SBC	<p>Each of the following, as the same may have been amended from time to time:</p> <p>Rhythms Links, Inc. (CA) ICA, approved by PUC 9/24/97; Accelerated Connections Inc. (IL) ICA*, approved by ICC 12/16/98; Rhythms Links, Inc. (IN) ICA*, approved by URC 12/29/99; Accelerated Connections Inc. (MI) ICA*, approved by PSC 2/2/99; Rhythms Links, Inc. (OH) ICA*, approved by PUC 10/28/99; Rhythms Links, Inc. (TX) ICA*, approved by PUC 2/9/00; Rhythms Links, Inc. (WI) ICA*, approved by PSC 11/5/99.</p> <p>* Including Interim Line Sharing (HFPL) Agreements executed by the SBC Affiliates 6/2/00.</p>	<p>All other agreements, including without limitation, each of the following, as the same may have been amended from time to time:</p> <p>Rhythms Links, Inc. (CT) ICA, approved by PUC 8/16/00; Rhythms Links, Inc. (KS) ICA, approved by KCC 12/29/00; Rhythms Links, Inc. (KS) Interim Line Sharing (HFPL) Agreement executed by SWBT 6/2/00; Rhythms Links, Inc. (MO) Interim DSL executed by SWBT 2/19/01; Rhythms Links, Inc. (MO) Interim Line Sharing (HFPL) Agreement executed by SWBT 6/2/00; Memorandum of Understanding dated 5/01. All telecommunications services for the state of OK.</p>
Qwest	<p>Interconnection Agreements, as the same may have been amended from time to time, for the states of: AZ, CO, MN (including the associated line sharing agreement dated December, 2000), OR, WA; Agreement dated 4/24/00 by and between US West Communications, Rhythms Links, Inc. identified as contract number 86 on Exhibit C to the Supplement; and Agreement for Telephone Services identified as contract number 67 on Exhibit C to the Supplement.</p>	<p>All other agreements, including without limitation: Interconnection Agreements, as the same may have been amended from time to time, for the states of: IA, MT, NE, NM, UT; ISP Provisioning Agreement, dated 4/6/99; Stipulation between Rhythms and U.S. West dated 4/9/00; all telecommunications services in ND.</p>

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re :
: Chapter 11 Case Nos.
: RHYTHMS NETCONNECTIONS INC. *et al.*, : 01- 14283 (BRL) through
: : 01- 14287 (BRL)
: Debtors. : (Jointly Administered)
: :
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**ORDER PURSUANT TO SECTIONS 105(a), 363(b) AND (f), 365(a) AND 1146(c) OF
THE BANKRUPTCY CODE (A) APPROVING SALE OF SUBSTANTIALLY ALL OF
THE DEBTORS' ASSETS TO MCI WORLDCOM NETWORK SERVICES, INC.
FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES AND
(B) APPROVING ASSUMPTION AND ASSIGNMENT OF
CERTAIN EXECUTORY CONTRACTS**

Upon the motion dated August 1, 2001 (the "Sale Motion"), of Rhythms
NetConnections Inc. and certain of its direct subsidiaries as debtors and debtors in possession
(collectively, the "Debtors"), for, among other things, authorization, pursuant to sections 105(a),
363(b) and (f) and 1146(c) of title 11 of the United States Code (the "Bankruptcy Code"), to
conduct an auction (the "Auction") for (i) an investment in the Debtors sufficient to conduct a
stand-alone reorganization, (ii) the sale of all or substantially all of the Debtors' assets, and (iii)
the sale of certain of the Debtors' assets in accordance with the terms of the form Purchase
Agreement annexed to the Sale Motion, and (B) approval, pursuant to section 365(a) of the
Bankruptcy Code, of the assumption and assignment of unexpired leases and executory contracts
in connection therewith;

Upon this Court's order, dated August 8, 2001 (the "Procedures Order"), (i)
authorizing and scheduling the Auction, (ii) approving the terms and conditions of the Auction,

including bidding protections related thereto, (iii) fixing notice procedures and approving the form of notice, and (iv) setting the date and time for the hearing on the proposed sales resulting from the Auction (the "Sale Hearing");

Upon the Supplement To Motion Of Debtors For Authority To Sell All Or Substantially All Of Their Assets And Motion For Interim Approval Of Non-Recourse Postpetition Financing Agreement And For Scheduling A Final Hearing Thereon, dated September 19, 2001 (the "Sale Supplement") in which the Debtors identified MCI WorldCom Network Services, Inc. (the "Buyer" or "Worldcom") as the successful bidder at the Auction; and

Due notice of the Sale Motion, Auction and Sale Hearing, having been given to all parties entitled thereto in accordance with the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Procedures Order, as evidenced by the affidavits and certificates of service and publication filed with this Court (the "Affidavits"); and the Auction of the Sale Assets having been held in accordance with the Procedures Order; and the Sale Hearing having been held before this Court on September 25, 2001, at which time parties in interest were afforded an opportunity to be heard; and upon all of the proceedings had before the Court and the evidence received in connection therewith;

NOW, THEREFORE, upon the entire record of the Sale Hearing and these cases; and after due deliberation thereon; and good cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:¹

1. This Court has jurisdiction to hear and determine the Sale Motion pursuant to 28 U.S.C. §§ 157 and 1334.

¹ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Bankruptcy Rule 7052.

2. Determination of the Sale Motion is a core proceeding under 28 U.S.C. §§ 157(b) (2) (A) and (N). The statutory predicates for the relief requested herein are sections 105(a), 363(b), 364, 365(a) and 1146(c) of the Bankruptcy Code, and Bankruptcy Rules 2002, 6004, and 6006.

3. Proper, timely, adequate and sufficient notice of the Sale Motion, Sale Hearing and Auction has been provided in accordance with section 102(1) of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, and 6006 and the Procedures Order, and no other or further notice of the Sale Motion, Sale Hearing, Auction or the entry of this Order is required.

4. A reasonable opportunity to object or be heard regarding the relief requested in the Sale Motion has been afforded to all interested persons and entities, including (a) all parties who claim interests in or assert liens upon any of the Sale Assets; (b) all parties to the unexpired leases and executory contracts to be assumed by the Debtors and assigned to the Buyer; (c) the attorneys for the statutory committee of unsecured creditors (the "Committee"); (d) the Office of the United States Trustee for the Southern District of New York; (e) all appropriate federal, state and local taxing authorities; (f) all parties having participated at the Auction; and (g) all parties having filed a notice of appearance in these chapter 11 cases pursuant to Bankruptcy Rule 2002.

5. No other or further notice of this Motion, the Sale Hearing or the entry of this Order is necessary.

6. The Notice of the Sale Motion and Sale Hearing served upon creditors and other parties in interest adequately discloses the business justification for consummation of the Agreement and all ancillary agreements with the Debtors, the execution and delivery of which is

required by WorldCom as a condition precedent to closing, and the consequences of such consummation for creditors and other parties in interest and for the bankruptcy estates.

7. The Debtors have full corporate power to consummate the sale (the "Sale Transaction") of substantially all of their assets (the "Sale Assets") as provided for by the Asset Purchase Agreement substantially in the form annexed hereto as Exhibit "A" (the "Purchase Agreement") and all other documents contemplated thereby, and no consents or approvals, other than those expressly provided for in the Purchase Agreement (including the schedules thereto) are required for the Debtors to consummate such transactions.

8. The Sale Transaction, including without limitation the assumption and assignment of certain unexpired leases and executory contracts (the "Leases and Contracts") reflect the exercise of the Debtors' sound business judgment.

9. Approval of the Sale Transaction and the consummation of the transactions contemplated thereby, are in the best interests of the Debtors, their estates and parties in interest. Good and sufficient business justification for consummating the Sale Transaction pursuant to section 105(a), 363(b), 364, 365(a) and 1146(c) of the Bankruptcy Code, has been established in that, among other things:

a. The Debtors, in their sound business judgment, determined that the sale of all or substantially all of their assets is necessary to maximize the value of their estates in light of their current operating losses and inability to obtain capital to fund their business plan;

b. Unless a sale to the Buyer is concluded expeditiously as provided for in the Sale Motion and under the Purchase Agreement, the Debtors, their estates and their creditors' recoveries may be diminished.

10. The terms and conditions of the Purchase Agreement are fair and reasonable. The purchase price under the Purchase Agreement (the "Purchase Price") represents the highest and best offer for the Sale Assets and is fair and reasonable.

11. Without a sale free and clear of Liens and Liabilities, the Sale of the Assets could not be consummated, or could be consummated only upon terms substantially less favorable to Debtors' estates.

12. The Buyer has all of the requisite resources to provide adequate assurance of its future performance under the Leases and Contracts within the meaning of sections 365(b)(1)(C) and (f)(2)(B) of the Bankruptcy Code.

13. The assumption and assignment of the Leases and Contracts in connection with the closing under the Purchase Agreement, and effective as of the Closing Date thereunder pursuant to the Purchase Agreement, is in the best interests of the Debtors, their estates and parties in interest.

14. The assumption and assignment of the Interconnection Agreements shall be governed by the terms and conditions of the stipulations between the Debtors and the Incumbent Local Exchange Carriers ("ILECs"), set forth on the record on September 25, 2001.

15. The Auction was conducted without collusion and in good faith. The Purchase Agreement was negotiated, proposed and entered into by the parties without collusion, in good faith, and from arm's length bargaining positions. The Buyer is a buyer in good faith of the Sale Assets and, as such, is entitled to the protections afforded thereby by section 363(m) of the Bankruptcy Code. Neither the Debtors nor the Buyer has engaged in any conduct that would cause or permit the Purchase Agreement and the transactions contemplated thereby to be avoided under section 363(n) of the Bankruptcy Code.

16. In the event the parties to the Purchase Agreement consummate the transaction contemplated hereby while an appeal of this Order is pending, Buyer shall be entitled to rely upon the protections of Section 363(m) of the Bankruptcy Code (without limiting in any way the availability of general "mootness" arguments), absent any stay pending appeal granted by the Closing Date by a court of competent jurisdiction.

17. The transfer of the Sale Assets, including, but not limited to, the assignment of the Leases and Contracts to the Buyer (at Closing) pursuant to the Purchase Agreement; are or will be legal, valid and effective transfers of property or rights of or to the Sale Assets to the Buyer and (b) except as provided in the Purchase Agreement, vest or will vest the Buyer, with good title to the Sale Assets, including, without limitation, the real property assets, and Leases and Contracts free and clear of all liens, claims, interests, and encumbrances under section 363(f) of the Bankruptcy Code.

18. Except as expressly provided for in the Purchase Agreement, the Sale Transaction does not and will not subject the Buyer to any debts, liabilities, obligations, commitments, responsibilities or claims of any kind or nature whatsoever, whether known or unknown, contingent or otherwise, existing as of the date hereof or hereafter in arising, of or against the Debtors, any affiliate of the Debtors, or any other person by reason of such transfers and assignments under the laws of the United States, any state, territory or possession applicable to such transactions.

19. All of the provisions of this Order, the Purchase Agreement and the order approving the limited-recourse postpetition secured financing are nonseverable and mutually dependent.

20. The relief requested in the Sale Motion is in the best interests of the Debtors, their estates and parties in interest.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Sale Motion be, and it hereby is, granted in its entirety.
2. All objections, if any, to the Sale Motion or the relief requested therein or the sale of the Sale Assets, including the proposed assumption and assignment of the Leases and Contracts, to the Buyer that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are overruled on the merits.
3. The Sale Transaction and the terms and conditions and transactions contemplated by the Purchase Agreement, including, but not limited to, (i) the sale of the Sale Assets to the Buyer and (ii) the assumption by the Debtors and assignment to the Buyer of the Leases and Contracts effective as of the Closing Date, are hereby authorized and approved in all respects, pursuant to sections 105(a), 363(b) and 365(a) of the Bankruptcy Code.
4. Pursuant to sections 363(b) and 365(a) of the Bankruptcy Code, each of the Debtors is hereby authorized, directed and empowered to fully assume, perform under, consummate and implement the Purchase Agreement together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Purchase Agreement and the transactions contemplated thereby, and to take all further actions as may reasonably be requested by the Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer or reducing to possession any or all of the Sale Assets free and clear of all Liens and Liabilities, or as may be necessary or appropriate to the performance of the Debtors' obligations as contemplated by the Purchase Agreement. The Purchase Agreement is

and shall be binding upon and enforceable against the Debtors and their estates, according to its terms.

5. Except as provided in the Purchase Agreement, pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, upon the closing under the Purchase Agreement, the Sale Assets owned by the Debtors shall be transferred to the Buyer free and clear of all pledges, liens, judgments, demands, encumbrances, easements, restrictions or charges of any kind or nature if any, including, but not limited to, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership (collectively, the "Liens"). All Liens and Liabilities shall be and hereby are transferred and (as to any liens, security interests, or encumbrances) attached to the cash proceeds from the sale of the Sale Assets in order of their priority and with the same validity, force and effect which they now have as against the Sale Assets. However, nothing contained herein shall be deemed to be an acknowledgement, determination or consent as to the amount, extent or allowance of any Lien and Liability or the validity, force, effect, extent, or priority of any Lien or Liability and all of Debtors' and Buyer's rights and defenses are hereby preserved, except to the extent that any such Lien and Liability has been or is subsequently approved by order of this Court.

6. Except as provided in the Purchase Agreement, pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, upon the closing under the Purchase Agreement, the Sale Assets shall be transferred to the Buyer free and clear of all debts arising in any way in connection with any acts of the Debtors, claims (as defined in Section 101(5) of the Bankruptcy Code), obligations, demands, guaranties, options, rights, contractual commitments, restrictions, interests and matters of any kind and nature arising prior to the date the Sale Transaction closes

(the "Closing Date") or relating to acts occurring prior to the Closing Date, and whether imposed by agreement understanding, law, equity or otherwise (collectively, the "Claims").

7. The Debtors are hereby authorized in accordance with section 365(a) of the Bankruptcy Code, and subject to the terms of the Purchase Agreement, to (a) assign to the Buyer, and have Buyer accept such assignment and assume the Sale Assets, including each of the Leases and Contracts on Schedule 2.1(e) to the Purchase Agreement, in each case free and clear of all Liens, and (b) execute and deliver to the Buyer such documents or other instruments as may be necessary to assign and transfer to Buyer, and have Buyer assume such Sale Assets, including the Leases and Contracts, on the Closing Date .

8. Pursuant to the terms of the Purchase Agreement and consistent with the requirements of the Bankruptcy Code, the Debtors are hereby authorized and directed to pay the cure amounts, if any, in respect of the assumption and assignment to Buyer of the Leases and Contracts being assigned to such Buyer at Closing or as soon thereafter as is practicable or as otherwise ordered by the Court.

9. The assumption and assignment of the Interconnection Agreements shall be governed by the terms and conditions of the stipulations between the Debtors and the ILECs set forth on the record on September 25, 2001.

10. The Leases and Contracts on Schedule 2.1(e) to the Purchase Agreement shall, upon assignment to the Buyer at the Closing of the Purchase Agreement, be deemed to be valid and binding and in full force and effect and enforceable in accordance with their terms, and, pursuant to section 365(k) of the Bankruptcy Code, the Debtors shall be relieved from any liability under the Leases and Contracts occurring after such assignment, including any liability for any breach thereof occurring after such assignment at Closing.

11. All defaults or other obligations of the Debtors under the Leases and Contracts asserted or accruing prior to the date of this Order (without giving effect to any acceleration clauses or any default provisions of the kind specified in Section 365(b)(2) of the Bankruptcy Code) shall be deemed cured by the Debtors upon payment of the cure amounts by Debtors at the Closing of the Sale Transaction or as soon thereafter as practicable.

12. Each nondebtor party to a Lease or Contract hereby is forever barred, estopped, and permanently enjoined from asserting against the Debtors or Buyer, or the property of any of them, any default existing as of the date of the Sale Hearing, or, against Buyer, any counterclaim, defense, setoff or any other claim asserted or assertable against the Debtors after cure amounts are paid by the Debtors at Closing.

13. This Order is and shall be (a) effective as a determination that, on the Closing Date, all Liens existing as to the Sale Assets prior to the Closing Date have been unconditionally released, discharged and terminated, and that the conveyance of the Sale Assets has been effected, and (b) binding upon and govern the acts of all entities including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, registrars of patents, trademarks or other intellectual property, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state if title in or to any of the Sale Assets.

14. If any person or entity that has filed financing statements or other documents or agreements evidencing Liens on or interests in the Sale Assets shall not have

delivered to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all Liens or other interests which the person or entity has with respect to the Sale Assets, the Debtors are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Sale Assets.

15. This Court retains jurisdiction (i) to enforce and implement the terms and provisions of the Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and of each of the agreements, documents and instruments executed in connection therewith; (ii) to compel delivery of the Sale Assets to the Buyer; (iii) to compel delivery of the Purchase Price to the Debtors under the Purchase Agreement; (iv) to resolve any disputes, controversies or claims arising out of or relating to the Purchase Agreement; and (v) to interpret, implement and enforce the provisions of this Order.

16. In the absence of a stay pending appeal, if the Buyer elects or is required to consummate the Sale Transaction at any time after entry of this Order, then with respect to the Sale Transaction, including the assumption and assignment of the Leases and Contracts approved and authorized herein, the Buyer shall be entitled to the protections of section 363(m) of the Bankruptcy Code if this Order or any authorization contained herein is reversed or modified on appeal.

17. The terms and provisions of the Purchase Agreement, together with the terms and provisions of this Order, shall be binding in all respects upon the Debtors, the Buyer, and their respective affiliates, successors and assigns, and any affected third parties including but not limited to all nondebtor parties to the Leases and Contracts listed on Schedule 2.1(e) to the Purchase Agreement and the Assumed Liabilities to be assigned to the Buyer pursuant to the

Purchase Agreement, and persons asserting a claim against or interest in the Debtors' estate or any of the Sale Assets to be sold to the Buyer pursuant to the Purchase Agreement.

18. Neither conversion of this case to a case under Chapter 7 of the Bankruptcy Code nor dismissal of this case shall have any effect upon the rights of Buyer under or in connection with the Purchase Agreement or this Order, and Buyer shall be entitled to all of the rights and benefits afforded to it under (i) the Purchase Agreement, (ii) the instruments and documents executed or to be executed in connection with or pursuant to the Purchase Agreement, and (iii) this Order, notwithstanding any such conversion or dismissal. The Purchase Agreement and the Order shall be binding upon and enforceable against any trustee appointed in this case or in any case to which this case may be converted. No plan of reorganization or liquidation filed or confirmed in this case shall alter in any way the terms of the Purchase Agreement or this Order, including (without limitation) any of the rights of Buyer under the Purchase Agreement or this Order. The provisions of the Purchase Agreement and of this Order shall remain in full force and effect notwithstanding the confirmation of any plan. In the event of any conflict between the terms of the Purchase Agreement and the terms of any plan of reorganization or liquidation confirmed in this case, the terms of the Purchase Agreement shall govern and control. Each provision of this Order is a material inducement to Buyer to consummate the transactions contemplated by the Purchase Agreement and, therefore, the provisions of this Order are and shall be nonseverable.

19. The failure specifically to include any particular provisions of the Purchase Agreement in this Order shall not diminish or impair the efficiency of such provisions, it being the intent of the Court that the Purchase Agreement be authorized and approved in all respects and in its entirety.

20. The Purchase Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment or supplement has no material adverse effect on the Debtors' estates or their creditors.

21. The transfer of the Sale Assets to the Buyer is not subject to taxation under any state or local law imposing a stamp, transfer or similar tax in accordance with sections 1146(c) and 105(a) of the Bankruptcy Code.

22. In the event the transaction with Buyer is not consummated, Buyer ceases funding under the DIP Facility in accordance with its terms, or there is a default under the DIP Facility (which is not waived by Buyer), the contracts proposed to be assumed and assigned to Buyer hereby shall be deemed rejected as of the date the Debtors cease operations in accordance with such event.

23. The rejection of the contracts set forth on Exhibit G to the Sale Supplement shall be effective the earlier of the date the contracts proposed to be assumed and assigned to Buyer are deemed rejected as set forth in this Order or the date set forth on Exhibit G to the Sale Motion, unless the Debtors notify the counterparties to such contracts that the effective date of the rejection will be a later date.

24. From and after the date of entry of the Approval Order and the interim order approving the Post-Petition Financing, the Sellers shall only use funds made available to them by Buyer either under the Post-Petition Financing (including proceeds of Collateral), or section 9.1 of the Asset Purchase Agreement (APA) between the Debtors and WorldCom Inc. to

fund the operations of the Business and the Sellers' obligations under the APA shall be subject to the foregoing limitation.

25. Each party to an executory contract or unexpired lease shall be deemed to have received adequate assurance of performance by Buyer.

26. As provided by Bankruptcy Rules 7062, 6004(g) and 6006(d), this Order shall be effective and enforceable immediately upon entry.

Dated: New York, New York
September 25, 2001

/s/Burton R. Lifland
UNITED STATES BANKRUPTCY JUDGE

AGREEMENT TO ASSIGN AND ASSUME

THIS AGREEMENT (this "Agreement") is made and entered into as of _____, 2000, by and between RHYTHMS NETCONNECTIONS INC., a Delaware corporation, as debtor and debtor in possession, having an office at 9100 East Mineral Circle, Englewood, Colorado 80112 (the "Seller"), and _____, a _____, having an office at _____ (the "Assignee").

WITNESETH:

[WHEREAS, the Seller, as lessee, entered into the lease(s) [and sublease(s)] described on Exhibit A attached hereto [as amended on _____] (individually [and collectively], the "Lease"), for the nonresidential real property identified on said Exhibit A (such real property, individually [and collectively], the "Premises"), all as more fully described in the Lease;]

WHEREAS, on July ____, 2001 the Seller filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), which case is pending before the United States Bankruptcy Court for the Southern District of New York (the "Court"), and Seller has since continued in the operation of its business and management of its property pursuant to sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, the Court has, pursuant to an order dated _____ (such order, the "Bidding Procedures Approval Order"), authorized the implementation of the following items with respect to certain assets of the Seller: (i) Notice of Sale, and (ii) Bidding Procedures (the Bidding Procedures, together with the Notice of Sale, the "Bidding Procedures");

WHEREAS, pursuant to the Bidding Procedures Approval Order, the Court approved the solicitation of irrevocable bids for the purchase of said assets of the Seller (including certain unexpired nonresidential leases of real property), which bids may be obtained at an auction (the "Auction") as provided in the Bidding Procedures;

WHEREAS, following the completion of the Auction (if any) and the selection of an offer received in connection therewith (or otherwise in accordance with the Bidding Procedures), the approval of the Court is required as a condition to the assumption and assignment and sale of such leases pursuant to sections 363(b), 363(f), 363(m), 365(a), 365(b) and 365(f) of the Bankruptcy Code;

WHEREAS, the Lease is one of the leases to be assumed, assigned, and sold at or prior to the Auction and the Assignee has agreed to buy and assume the Lease on the terms and conditions set forth herein; and

WHEREAS, the Assignee desires to purchase the Lease on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth hereinafter, the receipt and sufficiency of which are hereby acknowledged, and subject to approval by the Court, the parties hereto agree as follows:

1. ASSUMPTION, ASSIGNMENT AND SALE OF THE LEASE.

1.1 Upon the terms and conditions hereinafter set forth, pursuant to section 365 of the Bankruptcy Code, the Seller hereby agrees to assume, assign and sell all of its right, title and interest in, under and to the Lease to the Assignee, subject to the covenants and conditions contained herein, therein, and as set forth in the Assignment and Assumption of Leases annexed hereto as Exhibit B. Such sale and assignment shall be subject to any exceptions to title and other matters which may affect the Lease and/or the Premises as of the date of this Agreement and to any exceptions to title and other matters which may affect the Lease and/or the Premises and which arise after the date of this Agreement other than as a result of the intentional acts or omissions of the Seller after the date hereof, provided that, to the full extent permissible under section 363(f) of the Bankruptcy Code, the Lease shall be sold and assigned free and clear of all liens, claims and encumbrances, which liens, claims and encumbrances shall attach to the net proceeds received by the Seller hereunder.

1.2 Subject to Section 1.4 below, from and after the Closing Date (as hereinafter defined), (a) the Seller shall have no further responsibilities, obligations, or responsibilities in respect of any claims arising from or relating to the Lease and (b) the Assignee (i) agrees to accept the sale and assignment of the Seller's right, title and interest in, under and to the Lease, (ii) agrees to be bound by and subject to all of the terms, covenants and conditions of the Lease as now in effect and as amended from time to time from and after the Closing Date, (iii) agrees to assume and timely and faithfully perform all of the obligations of the tenant under the Lease arising and accruing from and after the Closing Date, (iv) agrees to be solely responsible for any and all covenants, obligations and responsibilities arising under, or out of, or relating to the Lease with respect to the period from and after the Closing Date, and (v) agrees to indemnify, defend and hold the Seller, each and every Affiliate (as defined below) of Seller, and each and every guarantor (if any) with respect to the Seller's obligations under the Lease (collectively, the "Guarantors") harmless from and against the Assignee's inability or failure to pay and perform all of the obligations of the tenant under the Lease from and after the Closing Date. For purposes of this Agreement, "Affiliate" shall mean, with respect to any person or entity, any other person or entity that, directly or indirectly, controls, is controlled by or is under common control with such person or entity.

1.3 Without limiting anything in Section 1.2, the obligations Assignee hereby agrees to assume shall include the obligations (if obligations under the Lease), to pay percentage rent, real estate taxes and common area maintenance accruing from and after the Closing Date to the extent such amounts become due or are subject to adjustment after the Closing (as hereinafter defined).

1.4 Except as otherwise agreed to in writing by the Seller and the Assignee, the Assignee shall not be liable for the payment of any monies due and owing by the Seller under the terms of the Lease, up to but not including the Closing Date, in respect of base rent and additional rent (excluding renovations or repairs required under the Lease if denominated as "additional rent"), percentage rent, taxes of any kind or nature, common area maintenance fees, insurance, and any other charges payable to the lessor under the Lease and outstanding as of the Closing Date and required to be paid to the lessor under the Lease under Section 365 of the Bankruptcy Code; provided, however, that the Assignee shall (a) be solely responsible for any and all base rent, additional rent, percentage rent, taxes of any kind or nature, common area maintenance fees, insurance and any other charges payable to the lessor under the Lease from and after the Closing Date, and (b) be liable for, or receive the benefit of, any year-end adjustments under the Lease that fall short of, or exceed, the adjustments made pursuant to Sections 1.4 and 3.5 of this Agreement.

1.5 Except as otherwise agreed to in writing by the Seller and the Assignee, and subject to Section 3.3 herein, the Closing shall be deemed to have occurred on the date on which Assignee shall have delivered to the Seller all closing documents and monies pursuant to the terms hereof.

1.6 THE ASSUMPTION, ASSIGNMENT AND SALE OF THE LEASE TO THE ASSIGNEE IS SUBJECT TO THE APPROVAL OF THE COURT. THE ASSIGNMENT AND SALE OF THE LEASE TO THE ASSIGNEE WILL NOT OCCUR UNLESS AND UNTIL (A) THE COURT ENTERS AN ORDER APPROVING AND AUTHORIZING THE SELLER TO CONSUMMATE THE ASSUMPTION, ASSIGNMENT AND SALE OF THE LEASE TO THE ASSIGNEE, AND (B) THE ASSUMPTION, ASSIGNMENT AND SALE OF THE LEASE TO THE ASSIGNEE IS CONSUMMATED.

1.7 Unless otherwise agreed by the Seller, sale of the Lease shall not include personal property, inventory, fixtures, trade fixtures, or other furnishings or equipment located in the Premises. The Seller reserves the right either to sell such personal property to the Assignee or any other party, to abandon any or all of the personal property, inventory, fixtures, trade fixtures, or other furnishings or equipment located in the Premises, or to make such other arrangements as may be appropriate. In the event of abandonment of any such personal property, inventory, fixtures, trade fixtures, or other furnishings or equipment, the Assignee shall be responsible for the removal thereof.

1.8 The sale of the Lease is "AS IS, WHERE IS AND WITH ALL FAULTS." The Seller and its officers, directors, employees, agents and contractors, its attorneys, Weil, Gotshal & Manges LLP, [and its real estate consultants, _____] are not making nor will they make and expressly disclaim making any written or oral statements, representations, warranties, promises or guarantees, whether express, implied or by operation of law or otherwise, with respect to the Lease, the Premises or the accuracy or completeness of any information provided. The parties to this Agreement acknowledge that the leasehold interest of the Seller under a Lease may be a direct leasehold, a sublease or a multi-tiered sub-sublease and that, notwithstanding anything to the contrary contained in this Agreement, in the case of any interest other than a direct leasehold, such "Lease" and the Seller's interest in the Premises demised thereby are subject and subordinate to, among other things, the

overleases or master leases as well as any other documents executed among or between the Seller and the parties through which the Seller acquired the Lease, provided, however, that nothing in this Agreement constitutes (or shall be deemed to constitute) an admission or acknowledgment as to the existence or validity of any overlease, master lease or other matter to which the Seller's interest in the Premises may be (or may be alleged to be) subject or subordinate.

[1.9 No right to use the Seller's corporate name or tradenames or its signage is being conveyed to the Assignee hereunder.]

2. REPRESENTATIONS, WARRANTIES AND COVENANTS OF ASSIGNEE.

The Assignee represents and warrants or covenants as follows:

2.1 The Assignee is a [corporation] [limited partnership] [joint venture] [general partnership] duly organized, validly existing and in good standing under the laws of the State of _____ and is authorized to transact business as a foreign _____ in the State of _____. The Assignee has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder and has taken all necessary [corporate] action to authorize the execution and performance of this Agreement and the consummation of the transactions contemplated herein, subject to the approval of the Court.

2.2 Subject to the entry and effectiveness of the Assumption and Assignment Order (as hereinafter defined), assuming this Agreement constitutes a valid and binding obligation of the Seller, this Agreement constitutes a valid and binding agreement of the Assignee, enforceable against the Assignee in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditor's rights generally from time to time in effect and to general equitable principles. Neither the execution and delivery of this Agreement and all documents contemplated hereunder to be executed by the Assignee, nor the performance of the obligations of the Assignee hereunder or thereunder will result in the violation of any law or any provision of the organizational documents of the Assignee or will conflict with any order or decree of any court or governmental instrumentality of any nature by which the Assignee is bound.

2.3 The Assignee agrees to indemnify, defend and hold the Seller and each and every Affiliate of Seller harmless from any liabilities, claims, losses, damages, costs, fees (including attorneys' fees) and disbursements incurred by the Seller and or Seller's Affiliates arising from or out of the Assignee's obligations under this Agreement.

2.4 In performing under the terms of the Lease, the Assignee agrees to comply in all respects with the terms and conditions of the Lease, and all applicable federal, state and local laws, ordinances, rules and regulations in respect of the Lease.

2.5 No actions or proceedings have been instituted against the Assignee or, to its knowledge, have been threatened against the Assignee, that will affect the consummation of this Agreement or the transactions contemplated hereunder.

2.6 The Assignee has received, and agrees to be bound by the terms and conditions of the sale of the Leases contained in the Bidding Procedures.

2.7 The Assignee has the financial resources to consummate the transactions contemplated herein and pay the Purchase Price (as hereinafter defined). Without limiting the foregoing, (a) the Assignee has funds available (either cash on hand or pursuant to committed financing agreements which do not contain any qualification to the lender's obligation to advance funds to the Assignee) to satisfy all of its obligations in this Agreement at the time and in the manner set forth in this Agreement, including without limitation the payment of the Purchase Price, and (b) the Assignee is and will be capable of satisfying the conditions contained in section 365 of the Bankruptcy Code with respect to the Lease.

2.8 The Assignee shall, at Assignee's sole cost and expense, cooperate in good faith with the reasonable requests of the Seller regarding the procurement of Court approval of this Agreement. The Assignee shall be responsible for providing adequate assurance of future performance under the Lease and providing such other information as is necessary pursuant to the applicable provisions of section 365 of the Bankruptcy Code. Without limiting the foregoing, the Assignee agrees that it will promptly take all actions reasonably required by the Seller to assist in obtaining the Court's entry of an order approving and authorizing the transactions contemplated by this Agreement, such as furnishing affidavits, non-confidential financial information or other documents or information for filing with the Court and making the Assignee's employees and representatives available to testify before the Court, with respect to demonstrating adequate assurance of future performance by the Assignee under the Lease or any other objections as may be raised to the proposed assignment.

2.9 The Assignee acknowledges that no representations, promises or inducements of any kind, except as expressly set forth herein, have been made to the Assignee by the Seller or anyone else to induce the Assignee to sign this Agreement.

2.10 The Assignee acknowledges and accepts that this Agreement, if agreed to prior to the Auction, is subject to higher and better offers that may be received through a competitive bidding process.

3. CONSIDERATION.

3.1 (a) In consideration of the Seller's assumption of the Lease and the assignment and sale of the Lease to the Assignee, the Assignee shall simultaneously herewith tender a deposit of ten percent (5%) (together with any interest earned thereon, the "Deposit") of the total purchase price of \$_____ (the "Purchase Price"). The Deposit will be made by certified check payable to Seller or by wire transfer of immediately available funds to an account designated by Seller. To the extent there is sufficient time before such deposit is to be disbursed as set forth below, said funds shall

be held by the Seller without interest, in accordance with the Bidding Procedures, and be distributed, upon the earliest of:

- (i) the Closing, to the Seller;
- (ii) the rejection by the Seller, in writing, of the offer by the Assignee to purchase the Lease, to the Assignee;
- (iii) entry of an order by the Court disapproving the assignment to the Assignee (provided that any appeal by Seller with respect to such order has been finally decided and no further appeal or petition for certiorari can be taken or granted), to the Assignee, subject to subsection (vii) hereof;
- (iv) written notification to the Assignee by the Seller of the Seller's inability to close the sale, to the Assignee (See Section 3.2 below);
- (v) written notification to the Seller by the Assignee of its inability to close the sale, to the Seller;
- (vi) the earlier of the times specified in clauses (a) and (b) of Section 4.2 (except as provided for in Section 3.2 below), to the Assignee; and
- (vii) upon breach of any covenant, representation or warranty made by the Assignee hereunder, to the Seller.

3.2 In the event that the Seller (a) terminates this Agreement for any reason (including as a result of the sale of the Lease to a third party), or (b) does not consummate a sale of the Lease to the Assignee for any reason (other than as a result of the Assignee's breach or repudiation of this Agreement), the Seller's sole obligation and liability shall be to refund the Deposit to the Assignee. In the event the Assignee breaches or repudiates this Agreement in any manner, including by failing to timely consummate the transaction described herein or execute and deliver the closing documents and monies pursuant to this Agreement for any reason, then the Seller may retain the Deposit and pursue any and all damages and remedies at law or in equity, including specific performance of this Agreement by the Assignee. This Section 3.2 shall survive the termination of this Agreement.

3.3 The closing of the assumption and assignment and sale of the Lease to the Assignee (the "Closing") shall occur at the offices of Weil, Gotshal & Manges LLP, counsel for the Seller, on the third (3rd) business day following the date on which the Court enters an order approving the consummation of the transactions described herein (the "Assumption and Assignment Order") or on such later date as may be designated by Seller in its sole discretion (or such earlier date as may be agreed to by Seller and Purchaser), time being of the essence with respect to the Assignee's obligation to close on such date (the date on which the Closing occurs is referred to herein as the "Closing Date").

3.4 The balance of the Purchase Price shall be paid in immediately available funds either by the Assignee by wire transfer or an unendorsed bank or certified check at the Closing.

3.5 The parties shall execute and deliver an Assignment and Assumption of Lease substantially in the form annexed hereto as Exhibit B.

3.6 All adjustments to be made in connection with the Closing, including, without limitation, adjustments, if any, for rent and all other sums and charges payable by the tenant under the Lease, shall be made as of 11:59 p.m. of the date immediately prior to the Closing Date (the "Adjustment Date"). Any adjustments attributable to escalation or pass-through charges which would be billed after the Adjustment Date shall be made based upon the most recent billing received by the Seller for such charges. The Assignee shall (a) be liable for all obligations with respect to the Lease from the Adjustment Date forward and shall indemnify, defend and hold the Seller and the Guarantors harmless with respect thereto, and (b) be liable for, or receive the benefit of, any year-end adjustments under the Lease that fall short of, or exceed, the adjustments made pursuant to Sections 1.4 and 3.5 of this Agreement.

3.7 If the transaction contemplated by this Agreement is found not to be exempt pursuant to section 1146(c) of the Bankruptcy Code, all sales, transfer and recording taxes, stamp taxes or similar taxes, if any, relating to the assignment and sale of the Lease shall be the sole responsibility of the Assignee and shall be paid to the Seller or to the title company at the Closing.

4. GENERAL PROVISIONS; MISCELLANEOUS.

4.1 (a) NOTWITHSTANDING ANYTHING ELSE CONTAINED IN THIS AGREEMENT TO THE CONTRARY, THE SELLER RETAINS, IN ITS SOLE AND ABSOLUTE DISCRETION, THE RIGHT TO TERMINATE THIS AGREEMENT WITHOUT PRIOR NOTICE, WITHOUT INCURRING ANY LIABILITY TO THE ASSIGNEE WITH RESPECT TO SUCH TERMINATION, AT OR PRIOR TO THE ENTRY OF THE ASSUMPTION AND ASSIGNMENT ORDER FOR ANY REASON OR NO REASON WHATSOEVER. THE ASSIGNEE SHALL NOT OBJECT TO SUCH TERMINATION, BUT SHALL BE ENTITLED TO THE RETURN OF ITS DEPOSIT IF ENTITLED TO SAME, PURSUANT TO SECTION 3.2 HEREOF.

(b) Seller's obligation to consummate the sale of the Lease shall be subject to any applicable rights of consent on the part of Seller's lenders. In the event such consents shall not be obtained, Seller shall have the right to terminate this Agreement, in which event Escrow Agent shall promptly return the Deposit to Assignee and neither party shall have any further rights or obligations hereunder, except for those rights and obligations expressly stated herein to survive the termination hereof.

4.2 Irrevocable Bid. All bids made or deemed to be made at the Auction shall remain open and irrevocable until the earlier to occur of (a) 48 hours after the Lease (or, if the Lease consists of more than one Lease, 48 hours after the last such Lease) has been sold by Seller pursuant to

the Bidding Procedures or withdrawn from the Auction by Seller, or (b) 5:00 p.m. on the thirtieth (30th) day after the entry of an order by the Court authorizing the sale of the Leases to one or more third parties (other than the Assignee).

4.3 Risk of Loss. All risk of casualty loss, including, but not limited to, water or fire loss with respect to the premises under the Lease shall remain with the Seller until the Adjustment Date. On and after the Adjustment Date, risk of casualty loss shall pass to the Assignee and the Assignee shall be solely responsible for providing insurance to cover any risk of such loss or damage to the premises under the Lease.

4.4 Eminent Domain. In the event of an eminent domain taking or the issuance of a notice of an eminent domain taking with respect to all or substantially all of the Premises, this Agreement shall terminate and Escrow Agent shall promptly return the Deposit to Assignee and neither party shall have any further rights or obligations hereunder, except for those rights and obligations expressly stated herein to survive the termination hereof. In the event of an eminent domain taking or the issuance of a notice of an eminent domain taking with respect to less than all or substantially all of the Premises, this Agreement shall remain in full force and effect, the Assignee shall be obligated to consummate this transaction for the full Purchase Price and the Assignee shall be entitled to receive all eminent domain awards made to the Seller and shall control all condemnation award proceedings. To the extent the same may be necessary and appropriate, Seller shall assign to the Assignee at the Closing, Seller's rights to such awards.

[4.5 Brokers. The Seller and the Assignee each represent to the other that it has not dealt with any party acting as a broker or sales agent in connection with the transactions described in this Agreement other than Seller's real estate consultant, _____ Inc. ("Broker"). Seller shall pay Broker any fees due it pursuant to a separate agreement to the extent provided in such separate agreement and the order of the Court with respect thereto. Each party agrees to indemnify and hold harmless the other party from and against any and all claims, expenses, fees or costs, including reasonable attorney's fees and disbursements, as a result of claims made by any person for brokerage commissions, or other fees, with respect to the transactions described in this Agreement, as a result of the untruth of the representations of the indemnifying party under this Section 4.5. The provisions of this Section 4.5 shall survive the Closing or termination of this Agreement.]

4.6 Entire Agreement; Additional Terms and Conditions. This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof as of the time this Agreement is executed and merges and supersedes all prior discussions, agreements and understandings of every and any nature between them and no warranty or representation shall be implied other than as expressly set forth or provided for in this Agreement. The Seller, at or before the Auction, may impose such other and additional terms and conditions as it determines to be in the best interest of the Seller, its estate, creditors, and other parties in interest.

4.7 Force Majeure. Neither party shall be liable to the other for failure or delay in performance of any of its obligations under this Agreement caused by floods, earthquakes, other Acts of

God, fires, wars, riots, strikes and similar hostilities, government regulations or actions, or other causes beyond such party's control or, without limitation, for any consequential or incidental damages arising from any of the foregoing.

4.8 Notices. Any notice, demand, request or other communication required to be given pursuant to the terms hereunder shall be in writing and either (i) sent by certified mail, return receipt requested, (ii) hand-delivered, with receipt acknowledged or (iii) sent by overnight courier, with receipt acknowledged, and addressed to the party to receive the notice at the following addresses:

If to the Seller: Rhythms NetConnections Inc.
9100 East Mineral Circle
Englewood, Colorado 80112
Attention: Frank Paganelli

with a copy to: Weil Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Paul M. Basta, Esq.

If to the Assignee: _____

Attention: _____

with a copy to: _____

Attention: _____

Either party may change its address for notices by giving written notice to the other party, as aforesaid. Any notice shall be deemed received on the day received or receipt is refused. Inability to deliver because of changed address of which no notice was given shall be deemed a receipt of such notice.

4.9 Successors and Assigns. The terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective nominees, successors, beneficiaries and permitted assignees. The Assignee may not transfer, assign or encumber this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the Seller (which consent shall not be unreasonably withheld, conditioned or delayed). A transfer, whether directly or indirectly, of 50% or more of the beneficial ownership interests in the Assignee or the right to direct the management and affairs of the Assignee shall be deemed a prohibited assignment for purposes of this Section 4.9. Any assignment by Assignee of its interest under this

Agreement shall not relieve Assignee of its primary liability hereunder and after any such assignment Assignee shall remain a primary obligor hereunder and not a surety or guarantor.

4.10 Parties' Expenses. Except as otherwise provided in this Agreement, each party hereto shall pay its own expenses, including attorneys' and accountants' fees, in connection with this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby. Notwithstanding the foregoing, if any action is brought by either party against the other party, the prevailing party shall be entitled to recover court costs incurred and reasonable attorneys' fees and costs. The provisions of this Section 4.10 shall survive the Closing or earlier termination of this Agreement.

4.11 Construction; Headings. When used herein, the term "including" shall mean "including without limitation" unless otherwise specifically provided; all other language in this Agreement shall be construed simply according to its fair meaning, and not strictly for or against any of the parties hereto. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require. The headings in this Agreement are for convenience only, and are not to be utilized in construing the content or meanings of any of the provisions hereof and shall not be deemed to constitute a part of this Agreement.

4.12 Amendments. This Agreement may not be modified, amended, discharged or terminated nor may any of the obligations of the parties hereunder be waived, except by a written instrument executed by the parties hereto.

4.13 Announcements. Neither party shall make any press release or other public announcement concerning this transaction without the prior written consent of the other party, which shall not be unreasonably withheld or delayed. Appearances in, or filings with, the Court, any dealings with the creditors' committee and notice to parties to the bankruptcy case shall not be deemed a public announcement for purposes of this Section 4.13.

4.14 Severability. Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or enforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of any other provision of this Agreement.

4.15 Governing Law. This Agreement shall be construed, interpreted and governed by the laws of the State of New York and the applicable provisions of the Bankruptcy Code.

4.16 Jurisdiction. The Court shall retain exclusive jurisdiction over any matter arising from or relating to the assumption, assignment and sale of the Lease to the Assignee which involves the Seller or its property, and the parties consent to such jurisdiction.

4.17 Not a Joint Venture. The Seller and the Assignee each acknowledge and agree that the relationship between them is that of seller/assignor and buyer/assignee and this Agreement does not constitute a partnership, joint venture or any other association between them.

4.18 Submission of Agreement. The submission of this Agreement to the Assignee or the Assignee's broker, agent or attorney for review or signature does not constitute an offer to sell the Lease, nor does it grant an option or other right to purchase the Lease. This writing shall have no binding force or effect until executed and delivered by the Assignee and by the Seller, and as set forth herein, shall be subject to the approval of the Court.

4.19 Counterparts. This Agreement may be executed simultaneously or in two or more counterparts, each of which shall be deemed an original but each of which together shall constitute one and the same instrument.

4.20 Conflicts with the Bidding Procedures or Assumption and Assignment Order. In the event of any conflict or inconsistency between the provisions of this Agreement and the Bidding Procedures, the provisions of the Bidding Procedures shall govern and control. In the event of any conflict or inconsistency between the provisions of this Agreement and the Assumption and Assignment Order, the provisions of the Assumption and Assignment Order shall govern and control.

IN WITNESS WHEREOF, the parties hereto, by and through their duly authorized officers and agents, have caused this Agreement to be duly executed as of the day and year first above written.

RHYTHMS NETCONNECTIONS INC.
a Delaware corporation

Federal Identification No.

By: J. W. Braukman
Title: Executive Vice President & Chief
CEO

ASSIGNEE

Federal Identification No.

By: _____
Title: _____

Consented to by the Lessor:

[_____]

By: _____
Title: _____

Exhibit A

Description of Lease

EXHIBIT B

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is executed as of the ____ day of _____, 2001 by and between RHYTHMS NETCONNECTIONS INC., a Delaware corporation ("Assignor"), and _____ a _____ ("Assignee").

W I T N E S S E T H:

WHEREAS, Assignee is this day purchasing from Assignor, and Assignor is conveying to Assignee, that certain Lease described in Schedule 1 attached hereto pursuant to that certain Agreement to Assign and Assume (the "Contract") dated as of _____, 2001 by and between Assignor and Assignee.

WHEREAS, Assignor desires to transfer and assign to Assignee, and Assignee desires to assume as provided herein, all of Assignor's right, title and interest in and to the Lease.

WHEREAS, The Lease is to be purchased for a purchase price of _____ Dollars (\$_____) (the "Purchase Price")

[WHEREAS, The Purchase Price has been reduced by _____ Dollars (\$_____) in consideration of Assignee's agreement to accept the premises demised by the Leases in "as is" condition.]

NOW, THEREFORE, in consideration of _____ Dollars (\$_____), which is to be paid on the date hereof in full satisfaction of the Purchase Price, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignor hereby transfers, assigns and sets over unto Assignee all right, title and interest of Assignor in and to the Lease.
2. Assignee hereby affirmatively and unconditionally assumes all of Assignor's obligations and liabilities under the Lease except that Assignee will not be responsible for curing monetary defaults that arise prior to the date hereof.
3. Except as may be expressly provided in the Contract, this Assignment is made without representation, or warranty by or recourse against Assignor in any event. Assignee shall be liable for and Assignee hereby indemnifies and holds harmless Assignor and any agent, advisor, representative, affiliate, employee, director, partner, member, beneficiary, investor, servant, shareholder, trustee or other person or entity acting on Assignor's behalf or otherwise related to or affiliated with Assignor (collectively,

"Assignor Related Parties") against all claims, losses, damages, liabilities, costs, expenses (including reasonable attorneys' fees and disbursements) and charges Assignor may suffer, pay or incur arising (directly or indirectly) out of the Lease.

4. This Assignment may be executed in any number of counterparts, each of which may be executed by any one or more of the parties hereto, but all of which shall constitute one and the same instrument, and shall be binding and effective when all parties hereto have executed and delivered at least one counterpart.
5. The terms and provisions of this Assignment shall be binding upon and inure to the benefit of the respective parties hereto, and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as of the day and year first written above.

ASSIGNOR:

RHYTHMS NETCONNECTIONS INC.
a Delaware corporation

By: _____
Name:
Title:

ASSIGNEE:

a _____

By: _____
Name: J. W. Braukman
Title: Executive Vice President & Chief CEO

Schedule 1

That certain Agreement of Lease by and between _____ and Rhythms
Netconnections Inc. dated as of _____ for that certain premises located in
_____.

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is dated as of _____, 2001 by and between Rhythms NetConnections, Inc., a Delaware corporation, (collectively with the Subsidiaries, "Seller"), and _____, a _____ corporation ("Buyer").

WITNESSETH:

WHEREAS, Seller is engaged in the business of providing high speed data communications and services (the "Business");

WHEREAS, Seller commenced a case (the "Case") under chapter 11 of title 11 of the United States Code, 11 U.S.C. Sections 101 et seq. (the "Bankruptcy Code") on July 23, 2001 by filing a voluntary petition with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, the sale of assets and liabilities of the Business are subject to the supervision and control of Seller subject to the approval of the Bankruptcy Court; and

WHEREAS, Seller wishes to sell to Buyer and Buyer wishes to purchase from Seller certain assets and to assume from Seller certain liabilities of the Business, pursuant to, inter alia, Sections 363 and 365 of the Bankruptcy Code and the applicable Federal Rules of Bankruptcy Procedure.

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions hereof, the parties, intending to be legally bound, hereby agree as follows:

I. DEFINITIONS

1.1. Defined Terms. As used herein, the terms below shall have the following respective meanings:

"Affiliate" shall have the meaning set forth in (i) Rule 12b-2 of the General Rules and Regulations of the Securities Exchange Act of 1934, as amended, or (ii) Section 101 of the Bankruptcy Code.

"Agreement" shall mean this Asset Purchase Agreement (together with all schedules and exhibits referenced herein).

"Approval Order" shall have the meaning ascribed to such term in Section 7.1 (b).

"Business Day" shall mean any day other than a Saturday, Sunday or a legal holiday on which banking institutions in the State of New York are not required to open.